

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 044430

P 081240Z MAR 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 4496

INFO AMEMBASSY OTTAWA PRIORITY

USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 3489

EXDIS

E.O. 11652: XGDS-3

TAGS: PARM, TECH, IN, CA

SUBJECT: INDO-CANADIAN NUCLEAR AGREEMENT REACHED: INDIANS  
AGREE TO DEFER NUCLEAR TESTS

REF: NEW DELHI 2343

SUMMARY: THE INDO-CANADIAN TALKS ON NUCLEAR COOPERATION CONCLUDED MARCH 6 WITH THE INITIALING OF AN AD REFERENDUM PROTOCOL ON NUCLEAR COOPEATION, A CONFIDENTIAL EXCHANGE OF NOTES WHICH IMPLICITLY DEFERS INDIAN NUCLEAR EXPLOSIVE TESTING FOR 15 MONTHS, AND AN UNDERSTANDING ON THE CONTROL OF INDIAN NUCLEAR EXPORTS. THE EXCHANGE CONSTRICTING THE INDIAN NUCLEAR EXPLOSIVE PROGRAM IS THE MOST SALIENT ASPECT OF THE AGREEMENTS, BUT NOTEWORTHY ALSO IS THE ALMOST COMPLETE INDIAN ACCEPTANCE OF THE CANADIAN SAFEGUARDS ON RAPP. THE CANADIAN HIGH COMMISSION IN NEW DELHI BELIEVES OTTAWA WILL RATIFY THE AD REFERENDUM AGREEMENT, AND BE PREPARED TO SIGN IT IN APRIL. CANADIAN SUPPLIES TO RAPP WOULD THEN BEGIN WITH THE AGREED OBJECTIVE TO COMPLETE THE PROJECT WITHIN FIFTEEN MONTHS OF THE SIGNING OF FINAL AGREEMENT. IF THIS SCENARIO IS CORRECT, THE INDIANS WOULD NOT UNDERTAKE ANOTHER NUCLEAR TEST BEFORE RAPP IS COMPLETED, THUS DEFERRING TESTS UNTIL SEPTEMBER 1977. END SUMMARY.

1. THE THREE PART PACKAGE INCLUDES A CONFIDENTIAL EXCHANGE  
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OF NOTES IN WHICH THE GOVERNMENT OF INDIA GAVE CANADA A

TACIT COMMITMENT TO DEFER NUCLEAR EXPLOSIVE TESTS FOR 15 MONTHS. THE FIRST PROVISION OF THE EXCHANGE STATES THAT BOTH SIDES UNDERTAKE TO AVOID ANY ACTION WHICH WOULD RESULT IN THE POSTPONEMENT, TERMINATION OR INTERRUPTION OF CANADIAN NUCLEAR SUPPLIES TO INDIA. ALTHOUGH A NUCLEAR TEST IS NOT EXPLICITLY MENTIONED, THE INDIANS ARE AWARE THE INTENT OF THE PROVISION COVERS PRECISELY THAT CONTINGENCY.

2. THE SECOND POINT COMMITS THE GOVERNMENT OF CANADA TO COMPLETE THE RAJASTHAN POWER PROJECT (RAPP I AND RAPP II) WITHIN 15 MONTHS OF THE SIGNING OF THE AGREEMENT. THERE IS SOME FLEXIBILITY IN THIS PROVISION SINCE THE GOC TOLD THE INDIANS IT COULD NOT ENFORCE DELIVVRY DATES WITH CANADIAN MANUFACTURERS. THE GOC MADE IT CLEAR HOWEVER, IT WOULD DO EVERYTHING TO ENCOURAGE MANUFACTURERS TO MEET THE 15 MONTH REQUIREMENT.

3. THE THIRD POINT OF THE CONFIDENTIAL EXCHANGE PROVIDES THAT IN THE EVENT OF TERMINATION OR SUSPENSION OF THE COOPERATIVE AGREEMENT (THE PROTOCOL) "ATTRIBUTED TO THE GOVERNMENT OF INDIA," (TO WIT, THE INDIANS CONDUCT A NUCLEAR EXPLOSIVE TEST) BOTH SIDES AGREE TO CONTINUE THE SAFEGUARDS IN FORCE. THE CANADIANS FELT THIS WAS A MAJOR CONCESSION FOR INDIAN SIDE, SINCE HERETOFORE THE INDIANS HAD INSISTED THAT TERMINATION OF AGREEMENT MEANT TERMINATION OF THE SAFEGUARDS.

4. CANADA OBTAINED ORAL ASSURANCE THAT THE GOI DOES NOT INTEND TO EXPORT EXPLOSIVE MATERIAL OR TECHNOLOGY. A SEPARATE LETTER FROM KEWAL SINGH TO CANADIAN PRIME MINISTERIAL ADVISOR, IVAN HEAD, STATES THAT THE GOI HAS NO IMMEDIATE PROSPECT OF EXPORTING NUCLEAR REACTORS, BUT IF IT DOES SO IN THE FUTURE, IT WILL ACT "RESPONSIBLY."

5. THE PROTOCOL WHICH WAS SIGNED AD REFERENDUM PROVIDES THE FOLLOWING:

A. END USE: MATERIALS SUPPLIED BY CANADA WILL BE USED ONLY FOR THE GENERATION OF ELECTRICAL ENERGY, MEDICAL ISO-CONFIDENTIAL

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TOPES, OR OTHER AGREED SCIENTIFIC PURPOSES. THERE IS NO SPECIFIC PROHIBITION ON NUCLEAR EXPLOSIVES, BUT THE AGREEMENT IS UNDERSTOOD BY BOTH SIDES TO MEAN THE RAPP MATERIALS WILL BE USED ONLY FOR THE PURPOSES SPECIFIED IN THE PROTOCOL.

B. DURATION: SAFEGUARDS WILL BE VALID 35 YEARS FROM THE FORMAL SIGNING OF THE COOPERATIVE AGREEMENT, APRIL 1971 IF SIGNED NEXT MONTH. THE CANADIANS WANTED AN INDEFINITE SAFE-

GUARD COMMITMENT BUT WERE SATISFIED WITH THE 35 YEAR PROVISION WHICH ALSO CONTAINS A RENEWAL OPTION.

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ACTION SS-25

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P 081240Z MAR 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 4497

INFO AMEMBASSY OTTAWA PRIORITY

USMISSION IAEA VIENNA PRIORITY

C O N F I D E N T I A L FINAL SECTION OF 2 NEW DELHI 3489  
EXDIS

C. PURSUIT: SAFEGUARDS ON SUBSEQUENT GENERATIONS OF MATERIAL WILL PREVAIL FOR THE SAME 35 YEAR PERIOD.

D. RETRANSFER: MATERIAL PRODUCED IN RAPP, MATERIAL PROVIDED BY THE CANADIANS, OR EQUIPMENT PROVIDED BY THE CANADIANS CAN BE TRANSFERRED ONLY WITH GOC CONSENT.

E. REPROCESSING AND FABRICATING: INDIA MAY REPROCESS THE RAPP MATERIAL IN FACILITIES PLACED UNDER TEMPORARY SAFEGUARD FOR THAT PURPOSE. THE MATERIAL CAN BE USED IN A PERMANENTLY SAFEGUARDED FACILITY OR, WITH THE AGREEMENT OF BOTH GOVERNMENTS, IN A TEMPORARILY SAFEGUARD FACILITY (THIS IN EFFECT GIVES THE GOC A VETO ON THE IMPROPER REPROCESSING AND FABRICATING RAPP MATERIAL.)

F. ENFORCEMENT: THE IAEA WILL BE THE INSPECTING AGENT. OUR CANADIAN HIGH COMMISSION SOURCE WAS NOT SURE OF THE MECHANICS, BUT ASSUMED A TRILATERAL AGREEMENT WOULD BE REACHED SUBSEQUENT TO SIGNING OF THE FORMAL PROTOCOL.

G. CONSULTATION: THERE WILL BE CONSULTATION ON THE CORRELATION BETWEEN REPROCESSING AND UTILIZATION OF THE CANADIAN SUPPLIED MATERIALS. THIS GIVES THE GOC A CHECK ON THE AMOUNTS REPROCESSED. IN THE SAME VEIN THE GOC HAS TOLD THE INDIANS ORALLY IT WILL HAVE NO OBJECTION TO THE USE OF TEMPORARILY SAFEGUARDED FACILITIES. IN FACT THE

GOI HOPES THAT SUCH USE WILL OCCUR AND PROVIDE PERIODIC  
CHECKS AT LEAST ON FACILITIES THAT WOULD OTHERWISE BE  
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TOTALLY WITHOUT SAFEGUARDS.

5. THE CANADIAN HIGH COMMISSION BELIEVES THE AGREEMENT  
PACKAGE WILL BE ACCEPTABLE TO OTTAWA. THEY FORESEE POSSIBLE  
HURDLES THERE AND POINT TO THE HEIGHTENED INTEREST IN  
NUCLEAR EXPORTS. THEY REASON, HOWEVER, THAT THE CHIEF  
CANADIAN NEGOTIATOR, IVAN HEAD, HAS FINELY TUNED ANTENNA  
AND WOULD NOT HAVE INITIALED AN AGREEMENT HE DID NOT  
BELIEVE THE CABINET  
WOULD ACCEPT. AS FOR THE INDIANS, THE  
CANADIANS BELIEVE THAT P.N. DHAR'S LEADING PART IN THE  
TALKS CARRIES WITH IT THE IMPLIED APPROVAL OF PRIME MINISTER.  
GANDHI. THE HIGH COMMISSION ANTICIPATES OTTAWA WILL ACT  
EXPEDITIOUSLY AND THE FORMAL AGREEMENT MAY BE SIGNED IN APRIL.

6. SPECULATING ABOUT THE TALKS IN WHICH HE WAS A PARTICI-  
PANT, OUR CANADIAN SOURCE SAID THAT FOREIGN SECRETARY KEWAL  
SINGH PLAYED THE KEY ROLE FOR THE INDIANS. THE PRIME  
MINISTER'S PRIVATE SECRETARY P.N. DHAR WAS ALSO VERY MUCH  
IN EVIDENCE, EXCUSING HIMSELF ON OCCASIONS TO SEEK GUIDANCE  
ON SPECIFIC POINTS, AND THEN REPORTING BACK TO THE TALKS  
THAT A PROVISION WOULD BE ACCEPTABLE. THE CANADIANS ARE  
CONVINCED HE TOOK SENSITIVE POINTS DIRECTLY TO THE PRIME  
MINISTER. DR. SETHNA, THE CANADIANS THOUGHT, WAS NOT IN  
SUCH FINE METTLE. HE WAS SUFFERING FROM A SEVERE TOOTHACHE,  
AND DEPARTED NEW DELHI BEFORE THE TALKS WERE OVER,  
DEPUTIZING M.R. SRINIVASAN, DIRECTOR FOR POWER PROJECTS,  
TO FILL HIS PLACE. THE CANADIANS THOUGHT THE MEA OFFICIALS  
WERE MORE CONCILIATORY THAN THE DEPARTMENT OF ATOMIC ENERGY  
TYPES WHO WERE LESS ACCOMMODATING THROUGHOUT THE TALKS.

7. THE CANADIAN HIGH COMMISSION OFFICER WHO BRIEFED US  
MARCH 8, TOGETHER WITH THE BRITISH, ASKED THAT WE HOLD THE  
INFORMATION CLOSELY UNTIL OTTAWA HAS ACTED AND A FORMAL  
AGREEMENT IS SIGNED. AT THAT TIME THE PROTOCOL WILL BE  
MADE PUBLIC. THE CONFIDENTIAL EXCHANGE OF NOTES AND THE  
ORAL UNDERSTANDINGS WILL NOT BE MADE PUBLIC, AND CONTINUED  
CONTROLS SHOULD APPLY TO THEM.

8. COMMENT: THE CANADIANS HERE ARE PLEASED WITH WHAT THEY  
REGARD AS A BREAKTHROUGH IN THEIR NUCLEAR DIPLOMACY  
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INVOLVING SUBSTANTIAL INDIAN CONCESSIONS. ADMITTEDLY THE  
CANADIANS ABANDONED THE ATTEMPT TO BRING CIRUS UNDER SAFE-  
GUARDS, BUT THEY BELIEVE THEY ACHIEVED THE BEST POSSIBLE  
AGREEMENT.

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## Message Attributes

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